

## General Government

<u>Original Appropriations</u>	<u>FY 1994</u>	<u>FY 2004</u>	<u>Annual % Chg</u>	<u>Total % Chg</u>
<b><u>By Department or Division</u></b>				
<b>Administration, Dept.</b>	<b>\$34.5</b>	<b>\$60.5</b>	<b>5.8%</b>	<b>75.6%</b>
Administration, Dept.	18.4	31.4	5.5%	71.1%
Building Fund Adv. Council	14.0	29.0	7.5%	106.8%
Capitol Commission	---	.1	---	---
Personnel Commission	2.1	---	---	(100.0%)
<b>Attorney General</b>	<b>8.8</b>	<b>14.7</b>	<b>5.2%</b>	<b>66.0%</b>
<b>Controller, State</b>	<b>9.0</b>	<b>10.9</b>	<b>1.9%</b>	<b>21.1%</b>
<b>Governor, Executive Office of</b>	<b>48.4</b>	<b>66.1</b>	<b>3.2%</b>	<b>36.5%</b>
Aging, Commission on	8.0	11.4	3.7%	43.2%
Arts, Commission on the	---	1.5	---	---
Blind and Visually Impaired	2.6	3.6	3.4%	39.3%
Financial Management, Div.	1.4	2.0	3.3%	38.9%
Governor's Office	7.0	2.1	(11.5%)	(70.5%)
Human Resources, Div.	---	2.8	---	---
Human Rights Commission	.5	.8	4.2%	50.9%
Insurance Fund, State	7.8	---	---	(100.0%)
Investment Board	.4	---	---	(100.0%)
Liquor Dispensary	8.2	10.1	2.2%	24.3%
Military Division	9.8	23.7	9.2%	141.1%
Public Empl. Retire. Sys.	2.8	6.1	8.2%	119.5%
Species Conservation	---	2.0	---	---
Women's Commission	.0	.0	1.9%	20.3%
<b>Legislative Branch</b>	<b>7.5</b>	<b>10.3</b>	<b>3.2%</b>	<b>37.0%</b>
<b>Lieutenant Governor</b>	<b>.1</b>	<b>.1</b>	<b>2.7%</b>	<b>30.3%</b>
<b>Revenue &amp; Taxation, Dept.</b>	<b>18.1</b>	<b>29.7</b>	<b>5.1%</b>	<b>64.4%</b>
Tax Appeals, Board of	.1	.3	16.2%	349.4%
Tax Commission, State	18.0	29.4	5.0%	63.3%
<b>Secretary of State</b>	<b>3.1</b>	<b>2.0</b>	<b>(4.4%)</b>	<b>(36.4%)</b>
Arts, Commission on the	1.5	---	---	(100.0%)
Secretary of State	1.7	2.0	1.8%	20.0%
<b>Treasurer, State</b>	<b>1.1</b>	<b>2.0</b>	<b>5.9%</b>	<b>78.1%</b>
Treasurer, State	1.1	1.8	4.7%	58.1%
Idaho Millennium Fund	---	.2	---	---
<b>Total</b>	<b>\$130.7</b>	<b>\$196.4</b>	<b>4.2%</b>	<b>50.3%</b>

## General Government

<u>Original Appropriations</u>	<u>FY 1994</u>	<u>FY 2004</u>	<u>Annual % Chg</u>	<u>Total % Chg</u>
<b><u>By Fund Source</u></b>				
General	\$41.4	\$80.6	6.9%	94.7%
Dedicated	68.7	85.4	2.2%	24.3%
Federal	20.7	30.5	4.0%	47.4%
<b>Total</b>	<b>\$130.7</b>	<b>\$196.4</b>	<b>4.2%</b>	<b>50.3%</b>

*Numbers Displayed in Millions of Dollars and May Not Add Due to Rounding*

- ◆ HCR 30 authorized the financing of approximately \$68.4 million in construction projects across the state. The projects will be financed through the sale of bonds by the Idaho State Building Authority. Annual bond payments from the **Permanent Building Fund** of between \$5.25 and \$5.75 million will be paid to retire the debt over a twenty-year period. Projects will be constructed for the following state bodies: Idaho State Police, North Idaho College, University of Idaho, Lewis-Clark State College, Boise State University, College of Southern Idaho, Idaho State University, and Eastern Idaho Technical College. (See page 88 of Fiscal Facts for more information on these projects).
- ◆ The 2003 Legislature authorized a new 2% surcharge on liquor sales in state liquor stores. HB 369 provided for a 2% surcharge on the sale of all liquor through the state **Liquor Dispensary** in order to provide an ongoing dedicated source of funding for Drug Courts and Family Court Services in the Judicial Branch. Essentially, the bill created a new provision to provide funding for court services without disrupting any other distributions from the Liquor Control Fund. The surcharge will generate approximately \$1.5 million to be deposited into the Drug Court and Family Court Services Fund. It is anticipated that this will free up General fund dollars that have been dedicated to Drug Court and Family Court Services.

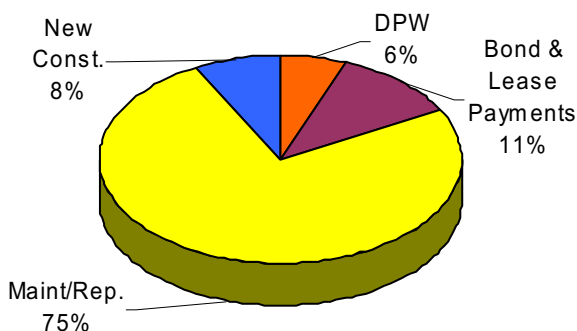
## Permanent Building Fund/ / Capital Budget

### Historical Sources of Revenue (in millions)

Revenues	FY 00	FY 01	FY 02	FY 03	FY 04 est
Income Head Tax	5.3	6.4	5.9	5.7	5.8
Cigarette Tax	6.5	6.5	6.5	6.7	6.8
Beer Tax	1.2	1.3	1.3	1.3	1.4
Sales Tax*	0.5	5.0	5.0	5.0	5.0
Lottery	10.5	10.0	7.7	9.0	10.3
Budget Res. Interest	2.0	2.3	2.6	1.1	0.3
PBF Interest Earnings	2.9	4.3	7.9	4.1	0.3
<i>Subtotal</i>	<b>28.9</b>	<b>35.8</b>	<b>36.9</b>	<b>32.9</b>	<b>29.9</b>
General Fund money	1.0	65.0	0.3	0.0	0.0
<b>GRAND TOTAL</b>	<b>29.9</b>	<b>100.8</b>	<b>37.2</b>	<b>32.9</b>	<b>29.9</b>

\*SB 1533, Laws of 2000, increased the sales tax distribution to the Permanent Building Fund from \$500,000 to \$5 million effective July 1, 2000.

### FY 2004 Permanent Building Fund Appropriation \$35,027,200



- ◆ A five-person Council directs the Permanent Building Fund. Its members include two legislators (one each from the House and Senate), one banker, one contractor and one member of the business community.
- ◆ Lottery profits are split 50-50 between the Permanent Building Fund and Public School Facilities.

## Permanent Building Fund

### HCR 30 Bonded Projects Description and Costs

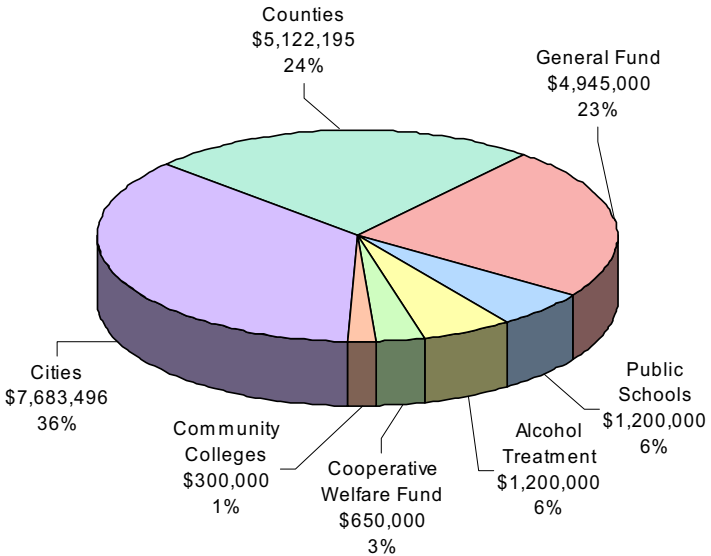
House Concurrent Resolution 30 authorized the sale of approximately \$68.4 million in bonds to finance the construction of eight facilities across the state. Seven of the projects will be built on University and Community College property while one will be a training facility for the Idaho State Police. **The annual bond payment from the Permanent Building Fund to retire the debt for all eight projects is estimated to be between \$5.25 and \$5.75 million annually for twenty years.** See page 87 of Fiscal Facts for an overview of revenue sources to the Permanent Building Fund. The table below reflects the eight projects authorized in HCR 30.

Project Description	Est. Project Cost*	Cumulative
Lewis-Clark St. College-- Classroom/Activity Ctr.	\$10,868,000	\$10,868,000
College of Southern Idaho-- -Fine Arts Addition	5,402,000	16,270,000
Univ. of Idaho--Teaching & Learning Ctr.	11,729,000	27,999,000
Boise State Univ.--West Campus Bldg.	8,655,000	36,654,000
Idaho State Univ.-- Classroom Bldg.	12,177,000	48,831,000
Northern Idaho College-- Nursing/Life Science Bldg	10,994,000	59,825,000
Idaho State Police-- Training Academy	2,286,000	62,111,000
Eastern Idaho Tech. College--Health Ed. Bldg.	6,360,000	68,471,000

\* The above project costs are estimates and do not include financing costs. Financing costs will be paid from the bonds issued by the Idaho State Building Authority. Also, facility occupancy costs are not reflected in the above table and will come from funding sources other the Permanent Building Fund.

## FY 2002 Distribution of Liquor Dispensary Earnings

**Total—\$21,100,691**



### Statutory Profit Distribution Formula

Annual fixed distributions totaling \$8,295,000 to the General Fund, Public Schools, Alcohol Treatment Fund, Cooperative Welfare Fund, and Community Colleges.

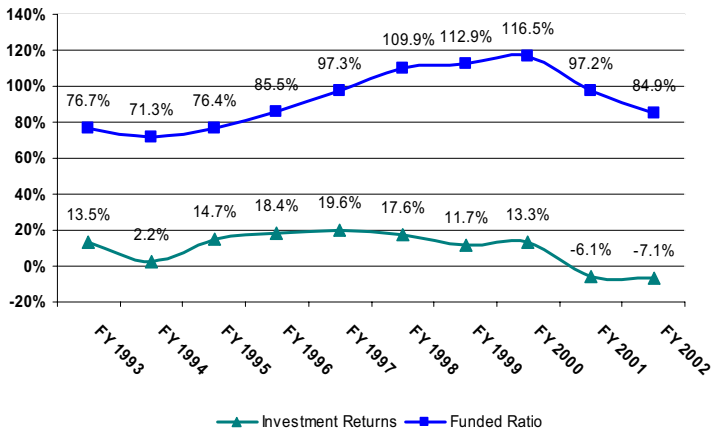
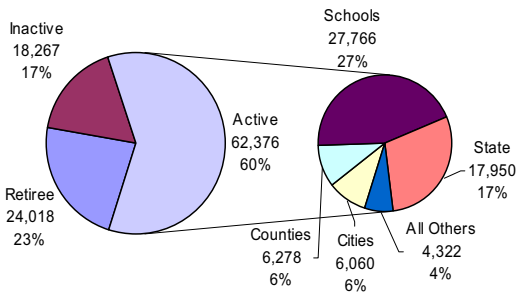
The remainder of the profits are distributed as follows:

- ◆ 40% to counties in proportion to sales in each county
- ◆ 60% to cities as follows:
  - 90% to incorporated cities with liquor stores in proportion to sales
  - 10% to incorporated cities without liquor stores in proportion to population

Note: 2003 HB 369 authorized a new 2% surcharge on liquor sales.

# Public Employee Retirement System of Idaho

659 employer units belong to PERSI, for a total system membership of 104,661



The PERSI Base Plan experienced a -7.07% return on investments in FY 2002, which equaled -\$495 million in net investment loss. As of June 30, 2002, the PERSI fund was valued at over \$6.26 billion, down from \$6.71 billion the prior year. PERSI's unfunded actuarial liability exceeded the 25-year amortization period required by law. As such, on November 26, 2002, the PERSI board approved a contribution rate increase of 3%, phased-in over three years beginning in FY 2005. Note: FY 2003 year-end numbers were not available at time of print.

# Idaho Millennium Fund

\$ Millions

Fiscal Year	Beg. Market Value	Receipts	Transfers to Gen. Fund	Earnings/ (Losses)	Transfers to Approp.	Ending Market Value
2000		\$ 29.7		\$ .5	( \$.4)	\$ 29.8
2001	\$ 29.8	\$ 22.8		( \$2.1)	( \$1.8)	\$ 48.8
2002	\$ 48.8	\$ 26.6	( \$19.3)	( \$4.2)	( \$2.4)	\$ 49.3
2003	\$ 49.3	\$ 26.7	( \$70.3)	( \$.7)	( \$4.9)	\$0
2004	\$0	\$ 23.6		\$ .4	\$0	\$ 24.0
2005	\$ 24.0	\$ 23.8		\$ 2.2	( \$2.0)	\$ 48.1
2010	\$ 183.4	\$ 32.1		\$ 15.3	( \$5.8)	\$ 225.0
2015	\$ 408.5	\$ 33.4		\$ 33.1	( \$16.2)	\$ 458.9
2020	\$ 674.8	\$ 32.2		\$ 54.2	( \$28.7)	\$ 732.5
2025	\$ 986.0	\$ 33.9		\$ 78.8	( \$43.1)	\$ 1,055.6

- ◆ H701 (2002 Idaho Session Laws 156) transferred to the General Fund the April 2002 tobacco payment (\$19.3 million) distributed to the State of Idaho pursuant to the tobacco Master Settlement Agreement.
- ◆ S1517 (2002 Idaho Session Laws 205) transferred to the General Fund \$10 million from the fiscal year 2003 scheduled tobacco payments.
- ◆ S1195 (2003 Idaho Session Laws 341) transferred the following: (1) \$798,200 to the Income Fund for FY03 Millennium Fund appropriations; (2) \$2,438,700 to the Income Fund for FY04 Millennium Fund appropriations; (3) the entire remaining balance of the fund to the General Fund (\$40.7 million); and (4) \$16.3 to the General Fund from the April 2003 tobacco payment.
- ◆ The 2000 Legislature established the Idaho Millennium Fund as an endowment fund structure to receive, invest and disburse funds that the state receives as a result of the master settlement agreement reached with tobacco companies. This legislation preserves the long-term capital value of these funds through a 5 percent annual distribution rule. Fund investments are managed by the State Treasurer who invests the fund in a diversified portfolio (30 percent in domestic bonds, 50 percent in U.S. common stocks, and 20 percent in non-U.S. stocks).
- ◆ There is **no** statutory restriction on how the money in the fund may be used. Idaho Code §67-1802 simply provides that “the uses of this fund shall be determined by legislative appropriation.”

# State Allocation of Tobacco Settlement Revenues by Category FY 2000 - 2003\*

(Dollars in thousands)

No. of States	Category	Amount	Percent of Total
45	Health Services	\$9,652,535	29.15%
25	Long-Term Care	\$1,678,623	5.07%
47	Tobacco Prevention	\$1,504,873	4.54%
21	Research	\$1,227,878	3.71%
19	Education	\$1,645,568	4.97%
15	Children & Youth	\$994,708	3.00%
9	Tobacco Growers & Communities	\$859,536	2.60%
28	Endowments & Budget Reserves	\$7,672,278	23.17%
34	Other	\$4,968,724	15.00%
5	Securitization for Budget**	\$2,912,106	8.79%
	<b>Total</b>	<b>\$33,116,829</b>	<b>100.0%</b>

\* The tobacco Master Settlement Agreement (MSA) represented a settlement between 46 states and the tobacco industry. Four states reached previous separate settlements. This table covers the MSA and separate settlements.

\*\* "Securitization ... is the process by which a state sells the revenue stream of its tobacco settlement payments, for a set number of years, in return for a single up-front payment." (*Securitization of Tobacco Settlement Revenue*, NCSL Fiscal Affairs Program report, April 2003)

Source: *State Management and Allocation of Tobacco Settlement Revenue 2002*, a publication of the Health Policy Tracking Service, National Conference of State Legislatures